BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Union Pacific Railroad Company, Keene Water System (0434W), For Authorization to Increase Rates and For Interim Rate Relief.

Application 04-11-004 (Filed November 4, 2004)

ADMINISTRATIVE LAW JUDGE'S RULING SETTING PREHEARING CONFERENCE

A Prehearing Conference (PHC) will be held in this proceeding at 10:00 a.m. on Tuesday, January 11, 2005, in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California 94102.

1. Parties to Proceeding

The applicant is Union Pacific Railroad Company, on behalf of its Keene Water System. The application has been protested by the Commission's Water Division (Dec. 2, 2004), Stonybrook Corporation (Dec. 6, 2004), and the Kern County Fire Department (Dec. 9, 2004). Applicant, these protestants, and any subsequent parties to this proceeding are referred to herein as "parties," and they shall comply with this ruling.

2. Issues to be Addressed

Applicant has applied for a general rate increase pursuant to Commission Decision (D.) 03-10-073, which applicant indicates required the filing of the application. Applicant also seeks interim rates as recommended by the Commission's Water Division in its April 17, 2004, Ratemaking Report, as well as permission to establish certain memoranda accounts. Applicant also requests a

185955 - 1 -

workshop with residents of the Upper and Lower Keene groups to discuss the ownership and control of facilities beyond the Keene water system's master meters.

In addition to these issues, the PHC will address discovery, schedule of proceedings, opportunities for alternative dispute resolution (ADR), and any other matters that should be discussed.

3. PHC Statements

On or before Friday, January 7, 2005, each party shall file and service a PHC statement. (Rule 6.2 of the Commission's Rules of Practice & Procedure (Rule).) The PHC statement will address any other issues that are involved in this proceeding, discovery needs, what method(s) of ADR may be appropriate, and a suggested prehearing and hearing schedule. In addition to normal service of these PHC statements, parties shall e-mail their PHC statements to the assigned Administrative Law Judge (jet@cpuc.ca.gov).

4. Service of Pleadings

Parties shall also come to the PHC prepared to discuss the desirability of adopting an order that service of pleadings in this proceeding will be by electronic mail, without concurrent service of a paper copy. (Rule 2.3(b).) If adopted, however, this rule would not supercede the Commission's rules regarding the filing of paper copies, Rule 2.5, or the need to serve paper copies on any party without an electronic mail address.

5. Pending Motion

Applicant has filed its Motion Regarding Service of Notice of Rate Increase Application (Nov. 23, 2004). At least one response has been filed to this motion. Any additional responses will be filed on or before Wednesday, January 5, 2004.

A.04-11-004 JET/hl2

Applicant may file a reply on or before Friday, January 7, 2004. The motion will

be heard at the PHC.

6. **Transcripts**

Parties who desire an expedited or daily transcript should advise the

Chief Hearing Reporter by telephone at (415) 703-2288 no later than three days

prior to the PHC. Questions regarding the date, time, or place for the PHC

should be directed to the Calendar Clerk at (415) 703-1203.

7. **Notice to Persons With Disabilities**

Information about access to persons with disabilities appears on the

Commission's web site (www.cpuc.ca.gov). If you plan to attend this PHC or

any other hearing in this proceeding and need specialized accommodations,

please request them from the Public Advisor's Office at least three business days

in advance of the hearing. Please contact the Public Advisor's Office by any of

the following:

E-mail: public.advisor@cpuc.ca.gov

Voice: 415-703-2074

TTY: 1-866-836-7825 (toll free) or (415) 703-5282

FAX: (415) 703-5404 (Attn: Public Advisor)

IT IS SO RULED.

Dated December 17, 2004, at San Francisco, California.

/s/ JOHN E. THORSON

John E. Thorson

Administrative Law Judge

- 3 -

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Prehearing Conference on all parties of record in this proceeding or their attorneys of record.

Dated December 17, 2004, at San Francisco, California.

/s/ ELIZABETH LEWIS
Elizabeth Lewis

NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.